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STATE FOR ECON WHA/BSC
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AGRICULTURAL SERVICES DR. JIM BUTLER
USDA FOR FAS/ITP/LEGIS AFFAIRS/PECAD/COTS/G&FD/FAA

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SUBJECT: AGRICULTURAL COUNSELOR'S MEETING WITH
CONGRESSWOMAN MARIA DEL CARMEN ALARCON AND MEMBERS OF "PAMPA
SUR"

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1. (SBU) SUMMARY: On January 27, the Agricultural Counselor (AgCouns) and staff, and representatives from the Political Section met with Congresswoman Maria del Carmen Alarcon (Partido Justicialista - Santa Fe) and members of the agricultural lobbying organization, "Pampa Sur". Deputy Alarcon recounted the origins of "Pampa Sur", and outlined the principal objectives of this organization, emphasizing that influencing the Executive Branch and Congress to implement policies which supported the development of Argentina's agricultural and livestock sector, was "Pampa Sur's" top, overarching priority. Deputy Alarcon mentioned that while "Pampa Sur" members tended to be from Argentina's agricultural principal growing areas (i.e., the Provinces of Buenos Aires, Cordoba, Santa Fe, and La Pampa), the organization had begun recruiting members that represented Argentina's diverse agricultural and livestock interests from all parts of Argentina. One of the projects which "Pampa Sur" championed was a reorganization of the Secretariat of Agriculture, Livestock, and Fisheries, whose

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aim was to promote and enhance cooperation among the various constituent offices. The Agricultural Counselor offered to assist "Pampa Sur" in meeting with USDA officials should members decide to visit Washington to learn firsthand how agricultural policy is carried out by the USG. END SUMMARY.

"Pampa Sur" Leaders Visit Embassy Agricultural Section

2. (SBU) Leaders of Argentina's agricultural-livestock lobbying organization, "Pampa Sur" visited the Embassy's Agricultural Section on January 27, to explain organizational objectives, and to discuss specific agricultural-livestock issues. The "Pampa Sur" delegation was led by Congresswoman Maria Carmen del Alarcon (Partido Justicialista [PJ]-Santa Fe), who is also the Chair of the Argentine Chamber of Deputies Agricultural, Livestock, and Fisheries Committee. Alarcon was accompanied by former Secretary of Agriculture Rafael Delpech, former President of

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the Argentine Rural Confederation (CRA) Arturo Navarro, and two "Pampa Sur" staff members.

3. (SBU) Alarcon opened the meeting describing the origins of "Pampa Sur", which has been in existence for a little more than a year. The impetus to its establishment, Alarcon relayed, came from the "Partido Justicialista", although she stressed that "Pampa Sur" had representatives from other Argentine political parties. It was important to underline, though, that this organization was not restricted to politicians, and counted as its members the leaders of the Argentine agricultural and livestock sectors.

4. (SBU) Initially, Alarcon continued, "Pampa Sur" focused its energies and organization efforts on the provinces of Buenos Aires, Cordoba, Santa Fe, and La Pampa, which constitute Argentina's agricultural heartland. At present, it was expanding its recruitment, and had formed regional working groups for Northwestern and Northeastern Argentina to assist in this initiative. To demonstrate the political support, which this fledgling organization had already garnered, Alarcon affirmed that "Pampa Sur" had received the backing of Senators Carlos Reutemann (PJ- Santa Fe), and Ruben Marin (PJ-La Pampa), among other Argentine political leaders.

Issues on the Agenda of "Pampa Sur"

5. (SBU) Secretary Delpech then outlined some of the issues, which were of concern to "Pampa Sur", beginning with tax reform. Delpech asserted that tax laws, which currently existed, were poorly enforced, and their lack of clarity

contributed to tax evasion. This environment fostered the elaboration of fiscal measures whose execution unfairly punished agricultural and livestock producers.

16. (SBU) Delpech then identified intellectual property rights (IPR) as another critical issue, specifically the drafting of legislation, which ensured the collection of royalties for new seed varieties and biotech events. Delpech opined that there were many different parties, both private and official, who while verbally supporting the concept of IPR, had been responsible for abuses.

17. (SBU) Delpech reiterated the importance that "Pampa Sur" attached to IPR, and lamented the fact that the GOA and private sector stakeholders were not debating it seriously. In essence, "Pampa Sur" advocated the creation of an IPR law, which would be in accord with international norms, and most fundamentally, a law that could be effectively enforced. In reference to the Argentine Seed Law which permits growers to re-use seed, especially Monsanto's Round Up Ready (RR) transgenic soybean seed, from one harvest to the next, Delpech opined that this should be only applicable to small growers, and all other growers should pay royalties for the usage of the RR gene technology.

18. (SBU) The AgCouns then queried Delpech about "Pampa Sur's" views on Monsanto's threat to force growers to pay the royalties by embargoing Argentine soybean shipments before they were discharged in countries in which Monsanto had patent protection for the RR technology (Note: Monsanto has stated that it will charge US\$15 per ton on Argentine soybeans that are not covered by export licenses issued by Monsanto). Delpech responded that this measure would intensify the politicization of this issue, and generate conflict, which would ultimately jeopardize Monsanto and Argentine growers alike.

19. (SBU) Alarcon changed the tack of the discussion, raising food safety as another issue, which was of fundamental importance to "Pampa Sur". Given Argentina's leading role as an international agricultural and food exporter, the Congresswoman asserted that traceability requirements, which ensured high food safety standards, should be built into current legislation. The AgCouns then asked about the export taxes ("retenciones") that the GOA applies to agricultural and food exports. One of the "Pampa Sur" staffers responded that depending on relative commodity prices, which were prevailing, the five percent export tax applied to apple exports could be more punitive for growers than the 23.5 percent tax imposed on soybean shipments.

110. (SBU) Delpech asserted that the GOA benefited from the revenues generated by export taxes, which bolstered the coffers of the treasury, did not have to be shared with the provincial governments, and thus was disposed to maintain them. The Argentine food industry, he continued, also comprised a significant force, which lobbied the GOA to continue this form of taxation, which ultimately subsidized their production. Local prices of commodities reflected the after-tax value, he emphasized, and thus, lowered the input and production costs for the Argentine food industry.

111. (SBU) Alarcon then shifted the focus to the structure of the Secretariat Agriculture, Livestock, and Fisheries (SAGPYA), and lamented that the entities which constituted SAGPYA did not communicate with one another very well. The National Sanitary and Agri-Food Quality Service (SENASA), Alarcon stated, enjoyed much autonomy, even though it was, on paper, subordinated to the Office of the Secretary. "Pampa Sur", she continued, would like to present a project for the reorganization of SAGPYA to the Argentine Congress with the idea that a well-planned restructuring would lead to more efficient operations in support of the agricultural, livestock, and fisheries sectors. Alarcon also stressed that given the importance of the foregoing sectors to the national economy, the SAGPYA should be elevated to a Ministerial status.

112. (SBU) Upon hearing "Pampa Sur's" interests in revamping SAGPYA, the AgCouns asked if the delegation members would be interested in visiting Washington to learn firsthand about USDA's organization and operations, and to meet with USDA officials to discuss further their ideas. Alarcon responded that "Pampa Sur" members would be very interested in doing so, and in visiting with members of the U.S. House Agricultural Committee as well. The AgCouns assured the Congresswoman that he would relay these interests to Washington, and would be happy to assist in setting up meetings with the appropriate parties in USDA.

113. (SBU) Alarcon ended the meeting by announcing a major event which "Pampa Sur" was organizing in Buenos Aires for March 11-12, 2005: a conference on the role of Argentine agriculture. The AgCouns responded that Embassy staff would be keenly interested in attending.

114. (SBU) Note: Although the Argentine agricultural and livestock sectors have had very little influence over GOA policy for the last seventy-five years, with the emergence of "Pampa Sur", it appears that this situation may be gradually changing. This organization appears to be garnering increasing support from influential politicians and business leaders, and its agenda points in the right direction. Much more and very hard work will need to be done, however, to set the stage for the types of reforms that its members envision.

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